

108TH CONGRESS
1ST SESSION

S. 271

To amend the Internal Revenue Code of 1986 to allow an additional advance refunding of bonds originally issued to finance governmental facilities used for essential governmental functions.

IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2003

Mr. SMITH (for himself, Mr. CORZINE, Mr. SCHUMER, and Ms. SNOWE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow an additional advance refunding of bonds originally issued to finance governmental facilities used for essential governmental functions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Municipal Debt Refi-
5 nancing Act”.

1 **SEC. 2. ADDITIONAL ADVANCE REFUNDINGS OF CERTAIN**
 2 **GOVERNMENTAL BONDS.**

3 (a) IN GENERAL.—Section 149(d)(3)(A)(i) of the In-
 4 ternal Revenue Code of 1986 (relating to advance
 5 refundings of other bonds) is amended—

6 (1) by striking “or” at the end of subclause (I),

7 (2) by adding “or” at the end of subclause (II),

8 and

9 (3) by inserting after subclause (II) the fol-
 10 lowing:

11 “(III) the 2nd advance refunding
 12 of the original bond if the original
 13 bond was issued after 1985 or the 3rd
 14 advance refunding of the original
 15 bond if the original bond was issued
 16 before 1986, if, in either case, the re-
 17 funding bond is issued before the date
 18 which is 2 years after the date of the
 19 enactment of this subclause and the
 20 original bond was issued as part of an
 21 issue 90 percent or more of the net
 22 proceeds of which were used to fi-
 23 nance governmental facilities used for
 24 1 or more essential governmental
 25 functions (within the meaning of sec-
 26 tion 141(c)(2)),”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to refunding bonds issued on or
3 after the date of the enactment of this Act.

